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**DECISION**



*R. Little  
Proc II*

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548**

**FILE: B-187698**

**DATE: December 8, 1976**

**MATTER OF: Edward M. Crough, Inc.**

**DIGEST:**

Bid bond is not defective even though bidder failed to supply certification as to corporate principal's authorizing of corporate president to act on its behalf where face of bid bond clearly indicates that surety is obligated.


Edward M. Crough, Inc. (Crough) has requested review of the award of a contract to the apparent low bidder, J. A. Scheibel, Inc., (Scheibel), by Howard University. The proposed contract, to be financed entirely by a grant from the National Cancer Institute, National Institutes of Health, Department of Health, Education, and Welfare (NCI), is for constructing a Cancer Research Facility addition to the Howard University Hospital. Crough, the third low bidder, has also questioned the propriety of any award to Maritime Construction Company, Inc., the second-low bidder, but in view of our conclusion concerning Scheibel's bid, we need not consider it in this decision.

Crough's position is that Scheibel's bid is nonresponsive for failing to include the required "Certificate as to Corporate Principal." That document is the corporate secretary's certification that the individual, (in this case the corporate president) signing the bid bond is authorized to bind the corporate principal to pay a specified amount in the event that the principal fails to provide the required performance and payment bonds. Crough contends that without such certification Howard cannot determine whether Scheibel is bound. Accordingly, Crough argues, Scheibel's being permitted to supply the certificate after bid opening gives Scheibel the opportunity to correct or not to correct a "material" deficiency in its bid. This opportunity, according to Crough, puts Scheibel in the position of being able to accept or refuse the award—an opportunity not afforded other bidders, thus compromising the integrity of the competitive system.

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We have consistently held that a bidder's failure to comply with the exact requirements relating to bid bonds does not require rejection if the surety would be liable on the bond notwithstanding the bidder's deviation. General Ship and Engine Works, 55 Comp. Gen. 422 (1975), 75-2 CPD 269. In the cited case, we noted that where the named principal is already under an obligation to the creditor or obligee, want of authority in the principal's agent to sign a bond did not relieve the surety of its obligation. In the instant case no one has questioned the fact that the principal is obligated to furnish the performance and payment bonds by the terms of its offer in response to the solicitation. This being the case, the weight of authority mandates the conclusion that the surety cannot avoid its obligation under the bond, and, therefore, Scheibel's bid bond is legally sufficient. General Ship and Engine Works, supra.

Accordingly, NCI's approval of Howard's award of a contract to Crough would appear to conform to NCI's requirement that the contract be awarded to the lowest, responsive bidder.

  
Deputy Comptroller General  
of the United States